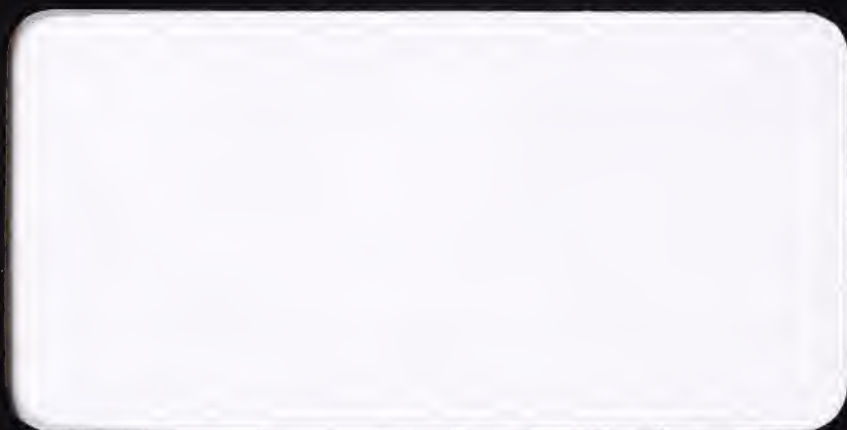


Overview of
Outsourcing Market
in Europe

INPUT



Overview of Outsourcing Market in Europe

Prepared for
AXIME

8 January 1993

INPUT LIBRARY

INPUT[®]

U.K.—17 Hill Street, London W1X 7FB, U.K.

France—24, avenue du Recteur Poincaré, 75016 Paris, France

Germany—Sudetenstrasse 9, W-6306 Langgöns-Niederkleen, Germany

+44 71 493 9335

+33 1 46 47 65 65

+49 6447 7229

Researched by
INPUT
17 Hill Street
London W18 7FB
United Kingdom

Published by
INPUT
1280 Villa Street
Mountain View, CA 94041-1194

**Outsourcing Information Systems
Programme—Europe**
(OEOSP)

Overview of Outsourcing Market in Europe

Copyright © 1992 by INPUT. All rights reserved.

Printed in the United States of America.

No part of this publication may be reproduced or distributed in any form, or by any means, or stored in a database or retrieval system, without the prior written permission of the publisher.

The information provided in this report is proprietary to INPUT. The client agrees to hold as confidential all such information, and control access to the information to prevent unauthorised disclosure. The information shall be used only by the employees of and within the current corporate structure of the client, and will not be disclosed to any other organisation or person including parent, subsidiary, or affiliated organisation without prior written consent of INPUT.

INPUT exercises its best efforts in preparation of the information provided in this report and believes the information contained herein to be accurate. However, INPUT shall have no liability for any loss or expense that may result from incompleteness or inaccuracy of the information provided.

Software and Services, Europe

Key User Demands

- Value for money
- Cost reduction
- Effectiveness

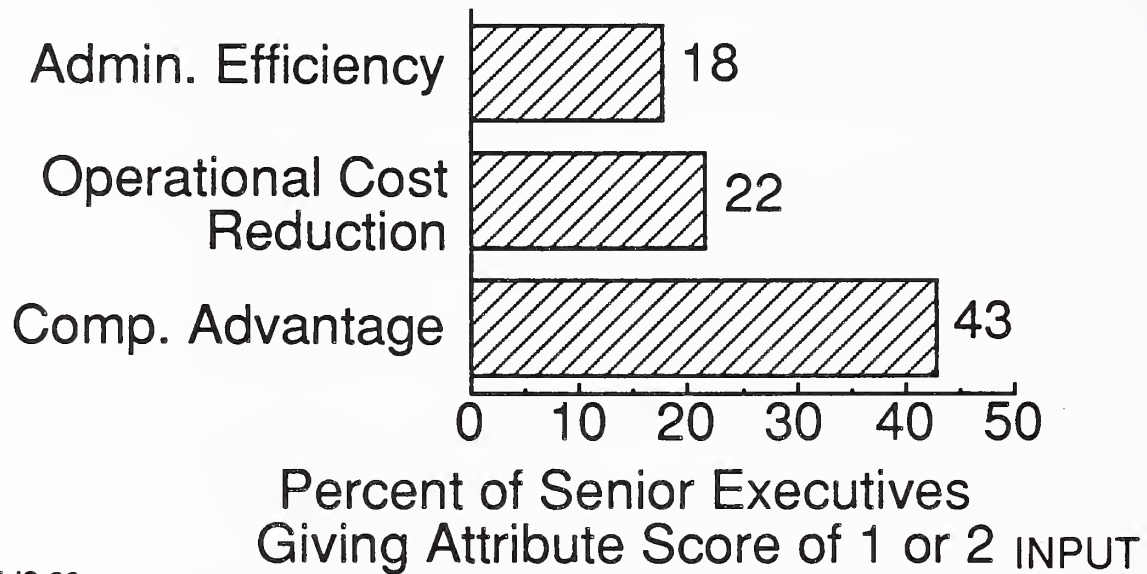
INPUT

E-OU-58

Notes

Europe

Major Challenges for IS Depts.

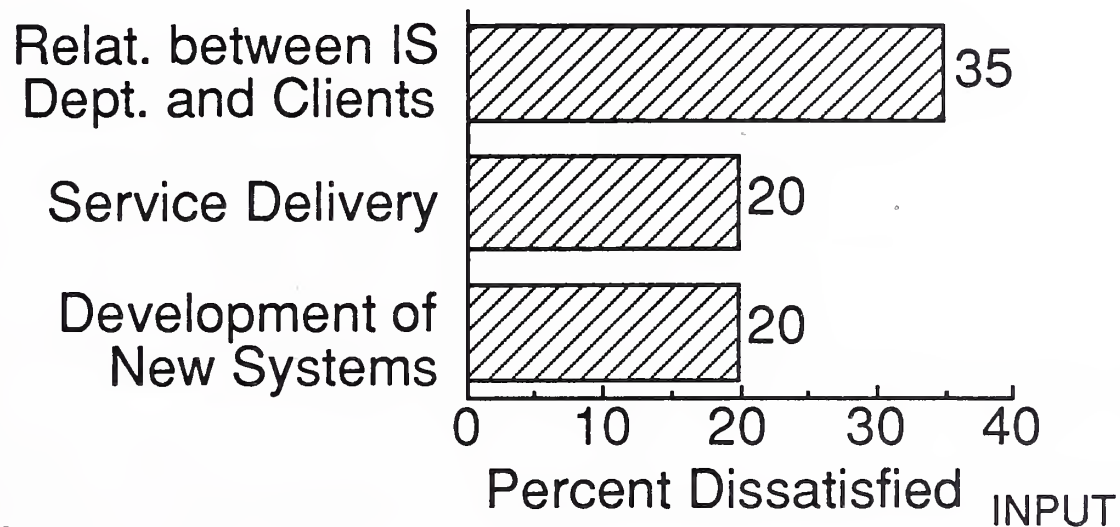


E-IS-36

Notes

Europe

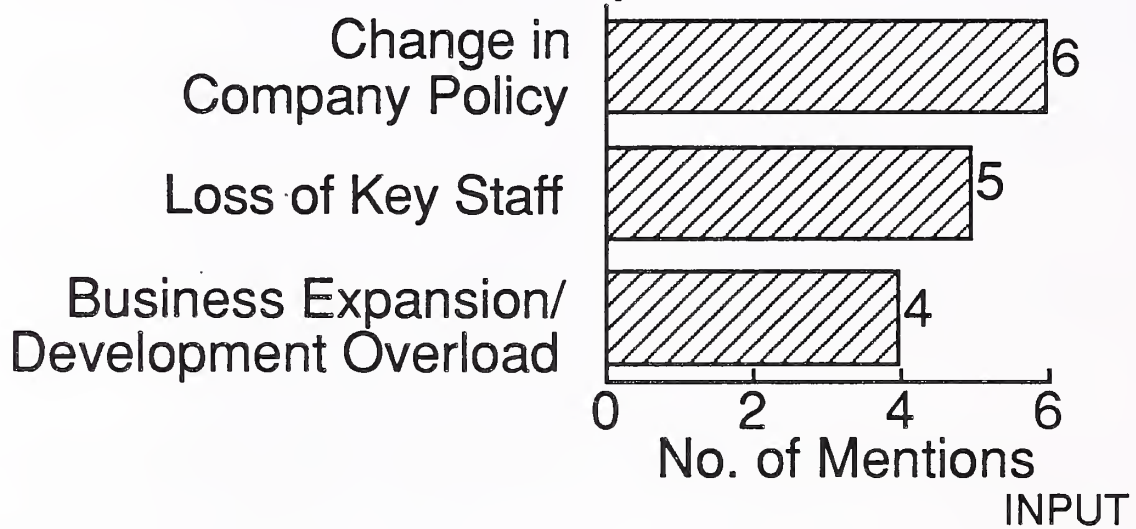
Major Challenges for IS Depts.



E-IS-37

Notes

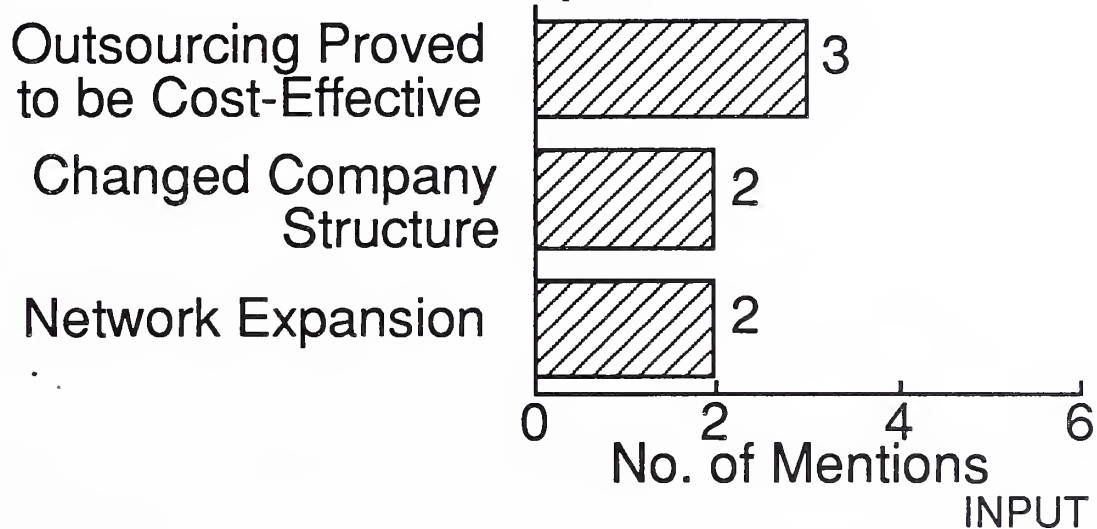
Circumstances for Adoption of Outsourcing IS Managers, Europe



E-OU-61

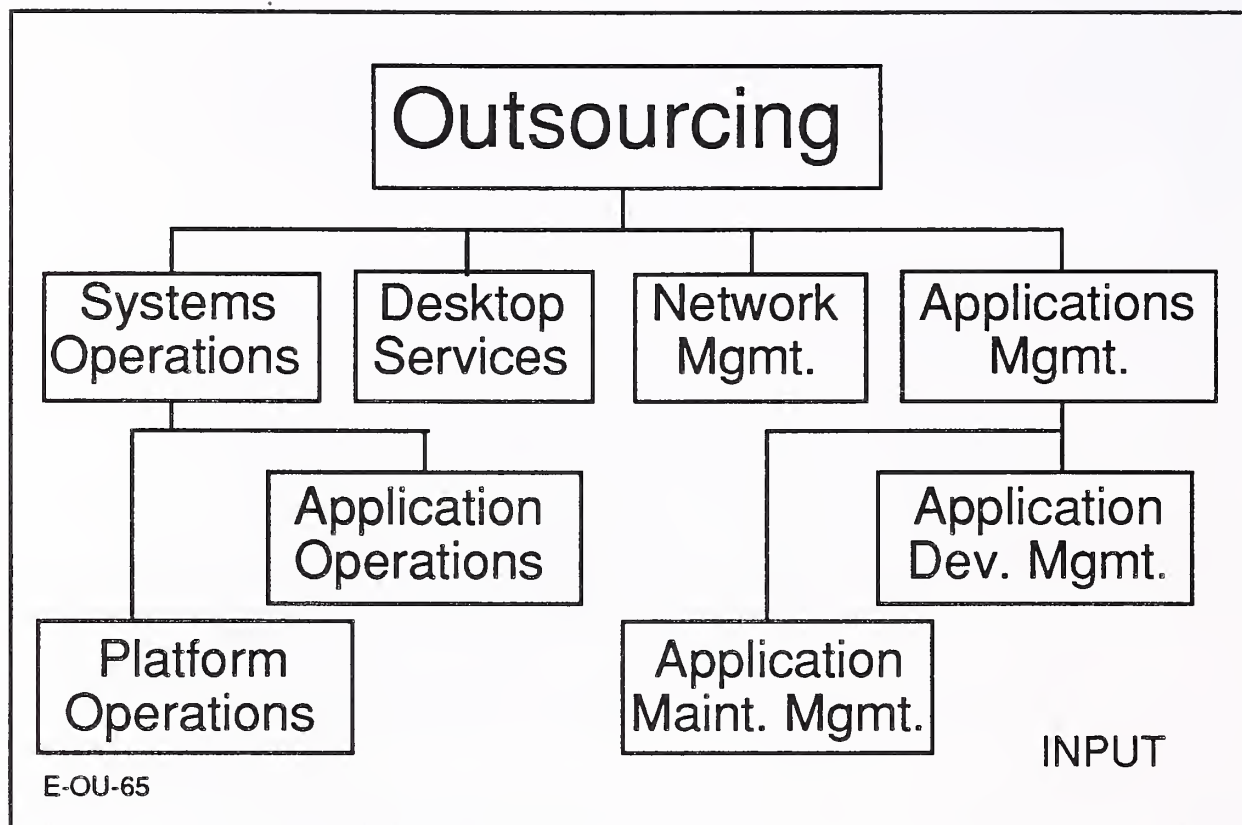
Notes

Circumstances for Adoption of Outsourcing IS Managers, Europe



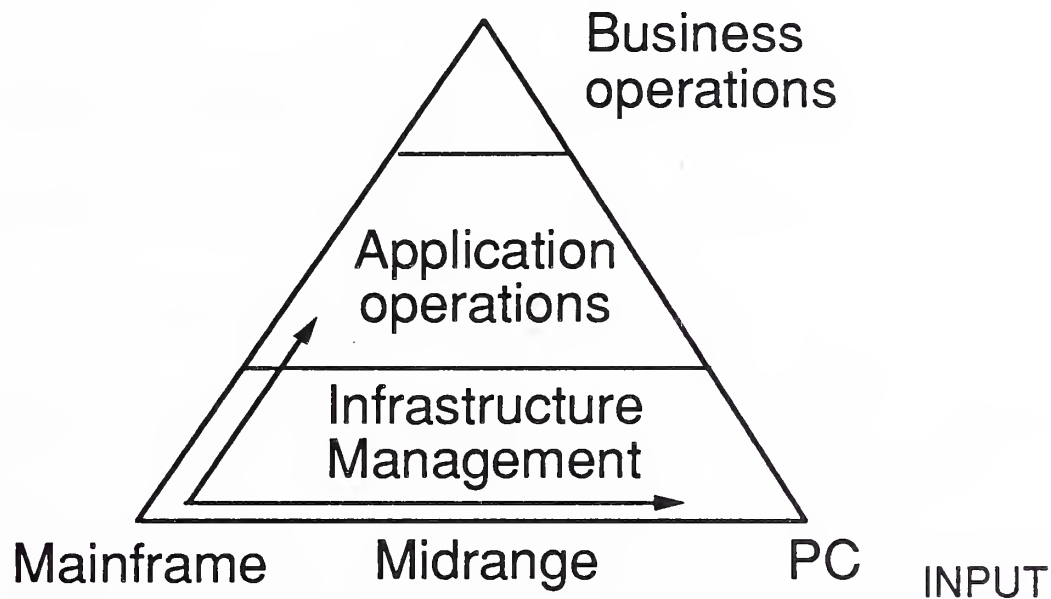
E-OU-62

Notes



Notes

Outsourcing Trends



E-OU-42

Notes

User Propensity to Outsource

High

Transition Outsourcing



Application Maint. Mgmt.



Network Mgmt. Desktop Servs.



Platform Operations



Application Operations

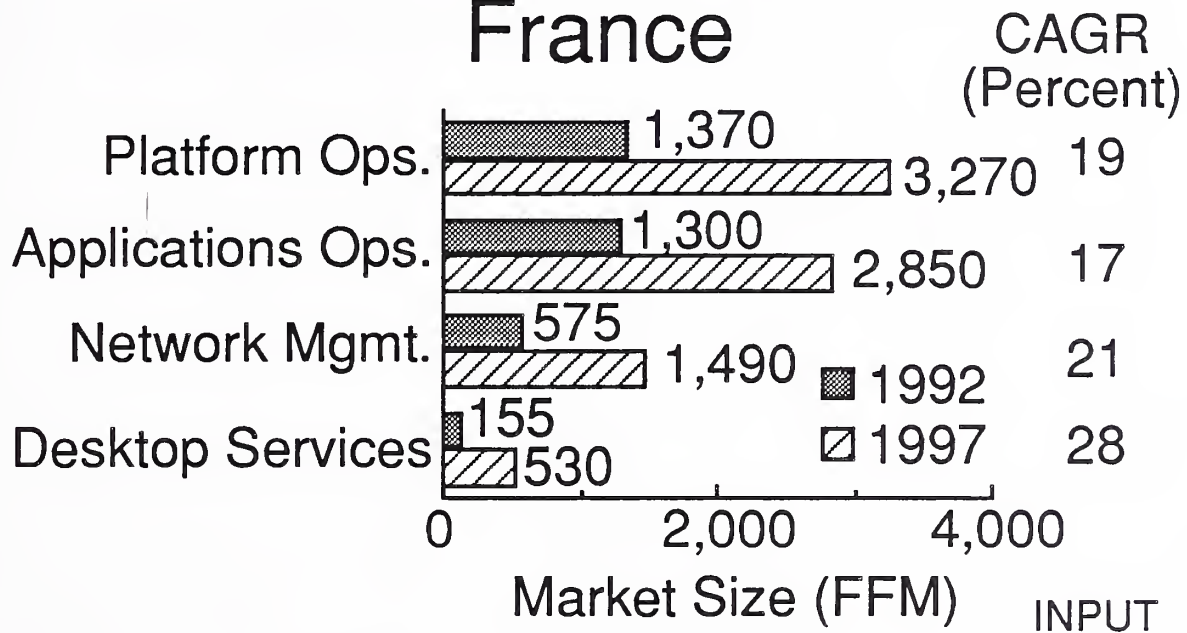
INPUT

Low

E-OU-66

Notes

Outsourcing Market France



E-OU-67

Notes

France, 1991

Outsourcing Revs. by Industry

Sector	Revs. (FFM)	Prop. (%)
Manufacturing	1,000	35
Distribution	500	18
Public	480	17
Financial Services	400	14
Other	470	16

INPUT

E-OU-68

Notes

Outsourcing, Europe

Principal Reasons for Platform Operations

Factor	Degree of Imp.
Easier planning of IS costs	High
Complexity of technology	High
Difficulty in recruiting staff	Med.
Change in technology used	Med.

INPUT

E-OU-32

Notes

Application Operations, Europe

Reasons for Adoption

Factor	Degree of Imp.
Making IS relate to business needs	High
Making IS more manageable	High
Easier planning of IS costs	High
Need to reduce IS costs	High

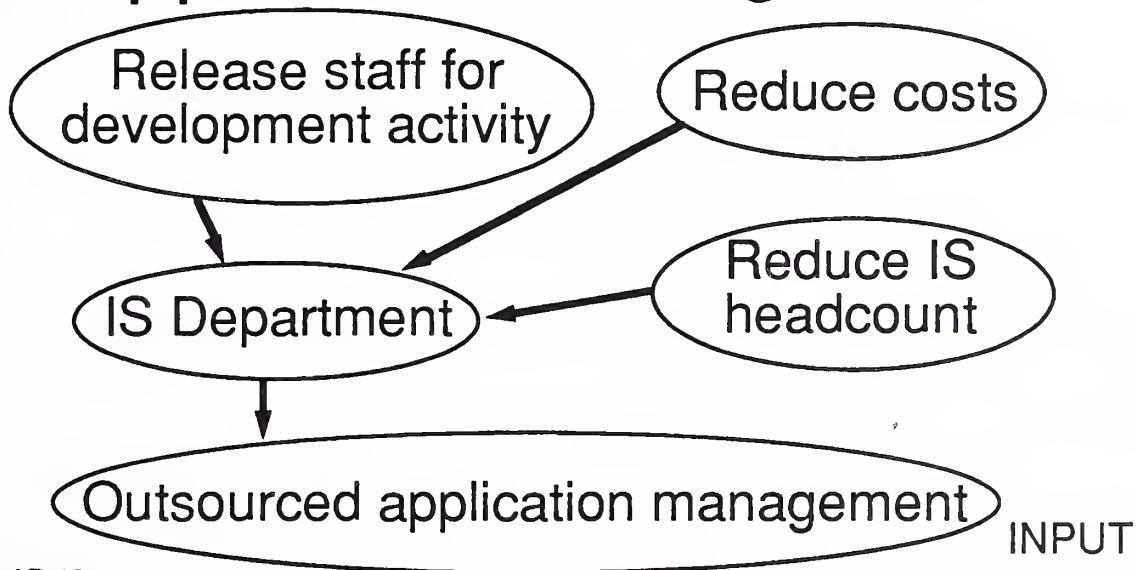
INPUT

E-AD-17

Notes

Europe

Driving Forces Application Management



E-AD-19

Notes

Profile of Typical Application Management Contract

- Value \$2 million over three years
- Covers all commercial applications
- Cobol predominant language used
- Users highly satisfied

E-AD-20

INPUT

Notes

Europe, 1991

Leading Outsourcing Vendors

Vendor	Revs. (\$M)	Share (%)
EDS	270	12
CGS	230	10
Sema	100	4
GSI	90	4
AT&T Istel	80	3

INPUT

E-OU-69

Notes

France, 1991

Leading Outsourcing Vendors

Vendor	Revs. (FFM)	Share (%)
EDS-GFI	550	19
GSI	330	12
Télésystèmes	270	9
Axone	180	6
CISI	175	6

E-OU-70

INPUT

Notes

Outsourcing Product Lines Hoskyns

- Midrange
- Mainframe
- Application management
- Desktop services

INPUT

E-OU-40

Notes

Hoskyns—Application Management Contracts

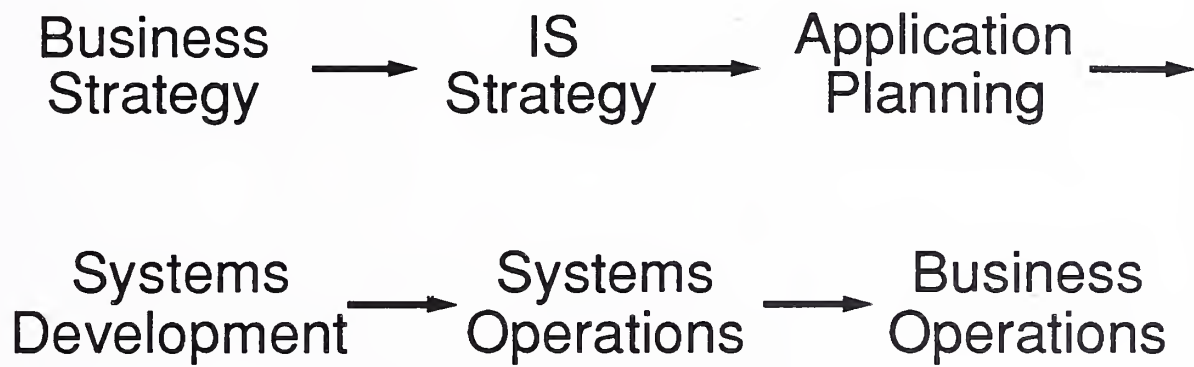
Company	Contract Details
ICI Agrochemicals	Transfer of 57 personnel
PowerGen	Support for non-strategic systems
Prudential Holborn	Maintenance/enhancement

INPUT

E-OU-44

Notes

The CSC Value Chain



E-OU-71

INPUT

Notes

About INPUT

INPUT is a worldwide consulting and market research firm uniquely focused on the information technology services and software markets. Executives in many technically advanced companies in Europe, North America, and Japan rely on INPUT for data, objective analysis, and insightful opinions to support their business plans, market assessments, and technology directions. By leveraging INPUT's considerable knowledge and expertise, clients make informed decisions more quickly, and benefit by saving on the cost of internal research.

Since 1974, INPUT has compiled the most extensive research base available on the worldwide information services market and its key segments, providing detailed market forecasts, vertical industry sector analysis and forecasts and analysis of vendor strategies and products. INPUT delivers specific expertise in the fast changing areas of outsourcing, systems integration, EDI/electronic commerce, software development/CASE, and on the impact of downsizing.

Consulting services are provided by more than 50 professionals in major international business centers. Clients retain INPUT for custom consulting/proprietary research, subscription-based continuous advisory programs, merger/acquisition analysis and user satisfaction surveys.

Most clients have retained INPUT continuously for a number of years, providing testimony to INPUT's consistent delivery of high-value solutions to complex business problems. To find out how your company can leverage INPUT's market knowledge and experience to gain a competitive edge, call us today.

INPUT OFFICES

North America

San Francisco

1280 Villa Street
Mountain View, CA 94041-1194
Tel. (415) 961-3300 Fax (415) 961-3966

New York

Atrium at Glenpointe
400 Frank W. Burr Blvd.
Teaneck, NJ 07666
Tel. (201) 801-0050 Fax (201) 801-0441

Washington, D.C.

1953 Gallows Road, Suite 560
Vienna, VA 22182
Tel. (703) 847-6870 Fax (703) 847-6872

International

London - INPUT LTD.

17 Hill Street
London, W1X 7FB, England
Tel. +71 493-9335 Fax +71 629-0179

Paris - INPUT SARL

24, avenue du Recteur Poincaré
75016 Paris, France
Tel. +1 46 47 65 65 Fax +1 46 47 69 50

Frankfurt - INPUT LTD.

Sudetenstrasse 9
W-6306 Langgöns-Niederkleen, Germany
Tel. +6447-7229 Fax +6447-7327

Tokyo - INPUT KK

Saida Building, 4-6
Kanda Sakuma-cho, Chiyoda-ku
Tokyo 101, Japan
Tel. +3 3864-0531 Fax +3 3864-4114

